

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

28 May 2018 / 28 mai 2018

Submitted by / Soumis par:

Finance and Audit Committee / Comité des finances et de la vérification

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SUBJECT: POLICE OFFICERS SCHOLARSHIP AND CHARITABLE FUND

OBJET: BOURSES ET FONDS DE BIENFAISANCE DE LA POLICE

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board:

- 1) Forego its annual, \$7,000 capital contribution to the Police Officers Scholarship and Charitable Fund for 2018/2019 however remain a party to the fund with the Ottawa Police Association and continue the administration of individual scholarships to eligible children of permanent and retired members of the Ottawa Police Service;**
- 2) Revisit future contributions in 2019, as recommended by the Finance and Audit Committee.**

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa :

- 1) renonce à sa contribution annuelle en immobilisations de 7 000 \$ aux Bourses et au Fonds de bienfaisance de la police pour la période de 2018-2019, mais continue néanmoins de contribuer au fonds de l'Association des policiers d'Ottawa et maintient l'attribution de bourses d'études aux**

enfants admissibles des membres permanents et retraités du Service de police d'Ottawa;

- 2) réexamine les contributions futures en 2019, comme le recommande le Comité des finances et de la vérification.**

BACKGROUND

The Police Officers Scholarship and Charitable Fund (POSCF) is a Trust Fund that provides individual scholarships on an annual basis to eligible children of permanent and retired members of the Ottawa Police Service (including legally adopted and court appointed guardians). It was also intended to provide donations to certain charities from time to time, as selected by the Trustees, however there does not appear to be any record of donations provided.

The fund was established from donations made by the Board, the Ottawa Police Association (OPA), and the Senior Officers Association (SOA) in 1997-1998 as follows: Board = \$75,000, OPA = \$75,000, and the SOA = \$10,000 in 1998. However, the origins of the fund appear to date back to February 2, 1984 according to an original agreement which is thought to have been authored by members of the Board of Commissioners of Police at that time.

While the Board was originally one of three parties involved in administering the Fund, along with the OPA and the SOA, in early 2018, the SOA decided to remove itself from the fund as it did not provide a direct benefit to many of its members. The Fund now consists of the Board and the OPA.

Since the Board's initial donation in 1997, it has made annual contributions in the amount of \$6000 up until 2008 when the annual amount was increased to \$7000.

The scholarships provided through the fund are drawn from the interest generated through low risk investments of Trust Fund monies, and not from the fund itself. Consequently, the amounts provided to recipients vary depending on the fluctuation of interest rates, the number of applicants, and the amount of scholarships provided in a given year. The amounts administered to each recipient for the last three years were as follows: 2017/2018: \$400; 2017/2016:\$500; 2016/2015:\$400. For 2017/2018, 27 applicants received scholarships.

To qualify for the scholarship, applicants must possess the necessary academic qualifications to be admitted to an educational program, which is at least six months in duration, in a post secondary institution of learning. Applicants are required to provide documentation indicating formal acceptance from the educational institution.

In 2015, the Trustees of the Fund also voted to restrict grants to first year students and depending on the number of applicants and available funds, to use a draw to determine the recipients.

An independent audit is performed on the financial statements of the POSCF on an annual basis.

DISCUSSION

Since 1997, the Board has been making a financial contribution to the POSCF from its Discretionary Fund account. Board Policy GA-7 Board Discretionary Fund (Document 1) establishes rules and procedures for how it will allocate the discretionary funds at its disposal.

The funds have traditionally been used to cover requests for purposes such as: making donations to fundraising events held by organizations working closely with the Police Service; funding members of the Police Service to participate in police-sponsored community events; or contributing to programs/projects that further the work of the Police Service in the areas of crime prevention, community policing or other public safety initiatives.

The Discretionary Fund Policy sets out four categories for priority funding:

1. Community Relations through Involvement with Police-Related Organizations

Intended to enable the Board to purchase tickets or contribute donations to fundraising events. Financial contributions as well as the attendance of Board members at fundraising events for organizations that work closely with the Ottawa Police Service allows the Board to demonstrate its support for the ongoing work of partner agencies such as Crime Stoppers, the Boys and Girls Clubs of Ottawa, and the Street Ambassador Program.

2. Board/Police Service Relations

To assist members of the police service in participating in police-sponsored events, and to support events organized by members of the Ottawa Police, with the goal of enhancing the image of the OPS in other communities as well as at home and fostering a good relationship between the Board and the OPS membership.

3. Public Education/Awareness

To provide funding to projects outside of routine advertisements and the approved Communications Strategy of the Police Service, that assist the Board in

communicating to the general public information related to crime prevention, community policing or other public safety issues.

4. Special Board Requirements

To provide flexibility to the Board to fund one-time requirements associated with Board functions, such as the sponsorship of board-related conferences or special meeting requirements outside of normal budgetary provisions.

The Finance and Audit Committee met on May 7, 2018, to discuss the Board's future involvement in the POSCF. The Board had not reviewed its involvement in the fund since 1997.

The Committee discussed the Board's budget and the fact that part of the budget is based on an assumption of \$93,000 in auction proceeds revenue (estimated from the average experience in previous years). To date, there is a shortfall of approximately \$75,000.

Given the uncertainty surrounding the annual auction proceeds revenue, the Committee felt that the Board should remain a party to the POSCF however forego its annual contributions to the fund for the 2018/2019 period. The Committee also recommended that future annual contributions be reconsidered in 2019.

Given that the fund contains an accumulation of capital dollars that continuously generate interest, the administration of the annual scholarships would be able to continue given the Board's accumulation of contributions amounting to approximately \$198,000, plus the contributions of the OPA.

CONSULTATION

Staff at the Big 12 police services across the Province were consulted to determine if their police services had a similar fund and whether their Board contributed to it. Sudbury, Waterloo, York, and Halton do provide scholarship funds to members' children however they are exclusively funded by their police associations.

Toronto, Durham, Hamilton, Niagara, and Windsor do not have a similar fund.

Peel Police Services Board established a three-year award program entitled the Emil Kolb Community Leaders Scholarship Award in 2015 which grants \$2000 to two different recipients (i.e. child of a member of the Service) each year, who is entering their second year of a university or college program.

Finally, London Police Services Board has a similar fund entitled the, “London Police Services Board Awards Fund at Western University.” Contributions are no longer made to the fund; instead, the interest generated from the funds previously invested are used on an annual basis to provide awards to applicants.

FINANCIAL IMPLICATIONS

As previously stated, part of the Board’s budget is based on an assumption of \$93,000 in auction proceeds revenue therefore the actual amount of funds available to the Board for discretionary funding can fluctuate.

Should the Board approve the Committee’s recommendation to forego the Board’s annual \$7,000 capital contribution to the Police Officers Scholarship and Charitable Fund for 2018/2019, the Board will presumably have these funds available for other causes that fit the priorities outlined in the Board’s Discretionary Fund Policy.

The Board will still be able to carry on its partnership with the OPA on the POSCF and continue the practice of administering scholarships to eligible children of permanent and retired members of the Ottawa Police Service using the interest that is generated from the capital funds previously invested.

SUPPORTING DOCUMENTATION

Document 1 – Board Policy: GA-7 Board Discretionary Fund

CONCLUSION

Since 1997, the Board has been contributing annually to the POSCF.

The Finance and Audit Committee is recommending that the Board remain a party to the POSCF with the OPA and continue the practice of administering scholarships to eligible children of permanent and retired members of the Ottawa Police Service using interest generated by the fund however forgo its annual \$7000 capital contribution.

Document 1

Table 1 – Policy Number: GA-7 – Policy Name: Board Discretionary Fund

GA-7 BOARD DISCRETIONARY FUND	
LEGISLATIVE REFERENCE / AUTHORITY	<i>Police Services Act, section 37</i>
DATE APPROVED	11 May 1998
DATE REVIEWED	2003, 2007, 2010, 2013, 2017
DATES AMENDED	1 May 2003, 01 November 2010, 28 October 2013
DATE TO BE REVIEWED	2020
REPORTING REQUIREMENT	Annual report to Board in December

LEGISLATIVE REFERENCE / AUTHORITY

Section 37 of the *Police Services Act* states that the board shall establish its own rules and procedures in performing its duties under the *Act*. This policy was created to provide direction to the Board in allocating discretionary funds at its disposal.

BOARD POLICY**INTRODUCTION**

The Ottawa Police Services Board has discretionary funds within its Budget to be used for such purposes as: purchasing tickets or making donations to fundraising events held by organizations working closely with the Police Service; funding members of the Police Service to participate in police-sponsored events; or contributing to programs/projects that further the work of the Police Service in the areas of crime prevention, community policing or other public safety initiatives.

GOAL

To establish a Discretionary Fund Policy, consisting of a set of guidelines that identifies recognized funding priorities to assist the Board in allocating the discretionary funds contained within the Board's budget. The guidelines need not limit the Board in its funding of unique projects/functions, but would provide some consistency and rationale in dealing with funding requests that come before the Board for consideration.

PRIORITIES

The Ottawa Police Services Board will give preference to funding requests that fall into one of the following categories:

- Community Relations through Involvement with Police-Related Organizations

Intended to enable the Board to purchase tickets or contribute donations to fundraising events. The attendance and participation of Board members at fundraising events for organizations that work closely with the Ottawa Police Service serves to demonstrate the Board's goodwill and community involvement.

For this funding priority, the Board Chair shall have delegated authority to approve expenditures up to \$1,500 from organizations that the Board has a history of supporting. Other requests will require Board approval.

- Board/Police Service Relations

To assist members of the police service to participate in police-sponsored events, with the goal of enhancing the image of the Ottawa Police Service in other communities as well as at home.

- Public Education/Awareness

To provide funding to projects outside of routine advertisements and the approved Communications Strategy of the Police Service, that assist the Board in communicating to the general public information related to crime prevention, community policing or other public safety issues.

- Special Board Requirements

Intended to provide flexibility to the Board to fund one-time requirements associated with Board functions, such as the sponsorship of functions at board-related conferences, or special meeting requirements outside of normal budgetary provisions.

ELIGIBILITY CRITERIA

- Groups and organizations requesting funding must be based in Ottawa and organized along not-for-profit principles. Funding requests from individuals will not be considered.
- The organization receiving funding must clearly provide a benefit for the Ottawa Police Service and the community.

- The activities of the organization must reflect the Mission Statement of the Ottawa Police Service.
- Use of the funds must not extend beyond the current fiscal year.
- Funds cannot be used to cover a deficit from a previous year.
- Funds will only be provided to the group directly responsible for the activity or project being funded.
- As a condition of funding, the organization must be willing to make available, if requested, financial records indicating the disposition of the Board's contribution to the project or activity.
- Funds not used as allocated or not needed within the fiscal year, in whole or in part, shall be returned to the Board.

REPORTING AND ANNUAL REVIEW

The Board Executive Director shall prepare and submit an annual report to the Board that will summarize for the completed fiscal year all requests for grants and those approved by the Board. This report shall be submitted to coincide with the annual Police budget review. At this time the Board will review the policy to ensure that the funding priorities and criteria remain reasonable and reflective of the Board's own priorities.